

Chapter 01 Railroad Companies

- 100 All railroad companies are required to have direct pay permits for purposes of reporting and paying to the Commissioner the sales and use tax applicable to purchases of tangible personal property and services in lieu of payment of the tax to the vendor. The direct pay permit does not relieve the vendor of the liability for the contractor's tax levied by Miss. Code Ann. Sections 27-65-21. Railroads will file and pay all tax due on property purchased, used or consumed within the State of Mississippi.
- 101 The following purchases by railroad companies are classified according to the applicable sales or use tax due:
1. Exempt
 - a. Locomotives and rail rolling stock, including all units that move on rails and materials for their repair.
 - b. Locomotive fuel
 - c. Locomotive water
 - d. Sales of electricity, current, power, steam, coal, natural gas, liquefied petroleum gas or other fuel to operate railroad locomotives. See Title 35 Miss. Admin. Code, Part IV, Subpart 6, Chapter 01 concerning the Affidavit for Utility Exemption.
 2. Regular retail rate
 - a. Supplies and materials for right of way maintenance
 3. Special 3% rate
 - a. Creosoting and treating of track and bridge materials
 - b. Culverts, drainpipes and ballast for use in the roadway
 - c. Equipment and materials for use in signals and interlockers
 - d. Ties, piling, timber and lumber, when used in track or track structures.
- 102 Any other purchases will be taxed at the rates provided by law. Adequate records must be maintained to substantiate tax classifications of sales and purchases.
- 103 Rental or lease of tangible personal property to railroad companies is taxed at the same rates as sales of the same property.
- 104 (Reserved)

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